

SENATE BILL REPORT

E2SSB 6087

As Passed Senate, February 18, 2020

Title: An act relating to cost-sharing requirements for coverage of insulin products.

Brief Description: Imposing cost-sharing requirements for coverage of insulin products.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Conway, Das, Hasegawa, Hunt, Kuderer, Pedersen, Randall, Rolfes, Stanford, Saldaña, Wilson, C. and Sheldon).

Brief History:

Committee Activity: Health & Long Term Care: 1/17/20, 1/22/20 [DPS-WM, w/oRec].
Ways & Means: 1/29/20, 2/05/20 [DP2S, w/oRec].

Floor Activity:

Passed Senate: 2/18/20, 34-14.

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| <p style="text-align: center;">Brief Summary of Engrossed Second Substitute Bill</p> <ul style="list-style-type: none">• Limits out-of-pocket expenses for a 30-day supply of insulin to \$100.• Requires the Health Care Authority to monitor the price of insulin. |
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- Limits out-of-pocket expenses for a 30-day supply of insulin to \$100.
- Requires the Health Care Authority to monitor the price of insulin.

SENATE COMMITTEE ON HEALTH & LONG TERM CARE

Majority Report: That Substitute Senate Bill No. 6087 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Cleveland, Chair; Randall, Vice Chair; O'Ban, Ranking Member; Conway, Dhingra, Frockt, Keiser, Muzzall and Van De Wege.

Minority Report: That it be referred without recommendation.

Signed by Senator Becker.

Staff: Greg Attanasio (786-7410)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Second Substitute Senate Bill No. 6087 be substituted therefor, and the second substitute bill do pass.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Billig, Carlyle, Conway, Darneille, Dhingra, Hasegawa, Hunt, Keiser, Liias, Muzzall, Pedersen and Van De Wege.

Minority Report: That it be referred without recommendation.

Signed by Senators Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Becker, Rivers, Schoesler, Wagoner, Warnick and Wilson, L..

Staff: Amanda Cecil (786-7460)

Background: According to data from the All Payer Claims Database (APCD), in 2018, approximately 90,000 Washington residents filled 771,000 prescriptions for insulin, which represents a 15 percent increase since 2014. This number does not include Veteran's Administration plans and some self-insured plans not captured by the APCD.

Out-of-pocket expenses for Washington enrollees of Medicaid, Medicare, and commercial plans totaled \$31 million in 2018. Out-of-pocket expenses vary by payer, with Medicare enrollees paying the most and Medicaid enrollees paying little to nothing. Out-of-pocket expenses in the commercial market vary by plan type and design. Health Care Authority (HCA) data indicates that for Public Employees' Benefits Board enrollees covered under the Uniform Medical Plan, those enrolled in the Classic or Plus plans pay approximately \$35 per month, while those enrolled in the consumer driven health plan pay an average of \$206 per month.

Summary of Engrossed Second Substitute Bill: Health plans issued or renewed on or after January 1, 2021 must cap out-of-pocket expenses for a 30-day supply of insulin at \$100. Beginning January 1, 2022, for every \$100 increase in the cost of insulin to a health plan, the health plan may submit a request to the Office of the Insurance Commissioner to increase the out of pocket cost by \$5. This requirement would apply to high deductible plans with a health savings accounts, but if the Internal Revenue Service removes insulin from the list of preventative care services, then a health plan must set the out-of-pocket amount at the lowest amount allowable.

HCA must monitor the price of insulin.

The requirements in this bill expire on January 1, 2023.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Health & Long Term Care): *The committee recommended a different version of the bill than what was heard.* PRO: No one

should die because they cannot afford insulin and this bill would provide some relief to those who need it most. Access to insulin is a matter of life and death and the price has nearly tripled in the last three years. Rationing of insulin is very dangerous and even small variations in dosage can be harmful. There have been no substantial premium increases after a similar law passed in Colorado and 680,000 people in Washington would receive financial relief.

CON: The goal of health plans is to keep members healthy, but they must also try to keep premiums low for all members. A copay cap will not address underlying cost drivers. The consequence will be increased costs and will not stop manufacturers from raising prices. It would set a dangerous precedent for other high cost drugs, including high deductible plans in the bill might disqualify them from federal tax benefits. Adding an adjustable out-of-pocket cap tied to the underlying price would be an improvement to the bill.

OTHER: The Office of the Insurance Commission has concerns about how the increased costs will affect premiums.

Persons Testifying (Health & Long Term Care): PRO: Senator Karen Keiser, Prime Sponsor; Alan Burke, Washington State School Retirees' Association; Kevin Wren, Washington Insulin4All; Nicole Vukonich, citizen; Amber Markland, citizen; Levi Markland, citizen; Marcee Stone-Vekich, citizen; Dr. Sherry Weinberg, Physicians for a National Health Plan; Ronnie Shure, Pharmacist, Health Care for All Washington; Marcia Stedman, Health Care for All Washington; Claire Symons, American Diabetes Association; Cathy MacCaul, AARP.

CON: Chris Bandoli, Association of Washington Healthcare Plans; Mel Sorensen, America's Health Insurance Plans; Courtney Smith, Kaiser Permanente; Gary Strannigan, Premera Blue Cross; Carrie Tellefson, Regence Blue Shield.

OTHER: Lonnie Johns-Brown, Office of the Insurance Commissioner.

Persons Signed In To Testify But Not Testifying (Health & Long Term Care): No one.

Staff Summary of Public Testimony on First Substitute (Ways & Means): *The committee recommended a different version of the bill than what was heard.* PRO: This bill will allow for people to get access to life saving medication and it should be funded. People with diabetes need this medication and the high cost has resulted in people rationing their doses with serious consequences. People in Washington State have died by not taking their insulin as prescribed because of the cost. Insulin was invented in 1922 and the patent was sold for a dollar to ensure that everyone had affordable access. The price is not transparent. Rebates are not the answer because they are only available to people paying full price. No one should have to pay more than \$100 a month for insulin.

OTHER: There is broad support for access to insulin and an appreciation for the amendments made by the health care committee. Capping the out of pocket cost will have a negative impact on the overall cost of premiums. The House amended the bill to have a two-year expiration and that is preferred to this version.

Persons Testifying (Ways & Means): PRO: Senator Karen Keiser, Prime Sponsor; Marcee Stone-Vekich; Marcia Stedman, Health Care for All Washington; Cindi Laws, Health Care for All Washington; Jamie Elzea; Joanna Grist, AARP.

OTHER: Christine Brewer, Association of Washington Healthcare Plans.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.